

Law and Finance Committee Meeting  
March 11, 2015

The Garner Law and Finance Committee met at 9:30 a.m. on Wednesday, March 11, 2015 in the Town Hall Council Meeting Room.

Present: Council Members Ken Marshburn and Kathy Behringer.

Staff Present: Rodney Dickerson- Asst. Town Manager, John Hodges-Asst. Town Manager, Joseph Stallings, Economic Development Director, Emily Lucas-Finance Director, David Bamford-Senior Planner, Jeff Triezenberg, Assistant Planning Director, David York-Attorney (SmithMooreLeatherwood), Rich Moretz (Cypress Creek Renewables)

Council Member Marshburn called the meeting to order.

1. Development of Standards for Solar Farm Uses  
Presenter: David Bamford, Senior Planner

Council Member Marshburn stated that he had read several magazine articles relating to the subject of solar farms and felt that discussion of this subject was timely and something we should prepare for.

Mr. Bamford presented the following history and staff recommendations regarding solar farms.

The Town recently received an inquiry about allowing a solar farm operation within its ETJ. The current Unified Development Ordinance does not specifically address solar farm facilities. The closest category would be "other major utility" which includes uses such as water towers, electric and telephone boxes, pump stations, and telecommunication towers. Staff feels this category is not a good fit for solar farms as they create different impacts such as aesthetics, noise, glare and stormwater, potential safety issues and property values.

A typical solar farm has a capacity of 1 megawatt and would occupy 6 to 10 acres of land with approximately 3,000 to 4,000 solar panels. This size operation could supply power for about 100 homes.

A number of photos were shown to illustrate different types and layouts of solar farms.

Solar farms are becoming more prominent in North Carolina as a result of the Senate bill adopted in 2007 which requires electric utilities in the state to produce 12.5% of their retail energy sales from renewable energy sources by 2020. The state of North Carolina currently has 120 solar farms.

A survey was conducted to determine how other jurisdictions address solar farms. Some of the common issues were zoning districts solar farms were allowed in, buffers/screening/landscaping, setbacks, height limits on panel structures, and termination of use or decommissioning. It was also noted that most of the ordinances adopted were done so within the last two years.

Staff Recommendations:

It is staff's recommendation to allow solar farms as a special use permit in the R-40, R-20, SB, I-1, and I-2 zoning districts and prohibited within the overlay districts of US70/401, I-40, Timber Drive, Timber Drive East, and Garner Road.

Buffers: Solar Farms will be a 'Class 5' use category in Article 7K (5.) Land Use Buffer Classifications.

Height: The maximum height for all solar panels, mounts and related equipment or structures shall not exceed 15 feet (which will include solar panels at maximum tilt).

Setbacks: front and corner side –30 feet on public or private road, or private road easement, 50 feet on minor or major thoroughfare, freeway or interstate. Sides and rear of property: Class 5 buffer widths listed in Article 7K (6) Buffer Widths Charts. Residential structures: 100 feet from all residential structures (both single and multi family).

Noise: Solar farms shall meet the industrial noise performance standards in Article 6B (3).

Glare: Solar panels must not create a traffic or safety hazard; solar panels must be arranged, angled, or sited to minimize glare or reflection onto adjoining properties and roadways. Panels must also have a textured or anti-reflective surface or coating. Smooth panels are not allowed.

Fencing: A 6-foot security fence is required (around entire perimeter). However, it is likely that razor wire will be placed on top of the security fence.

Landscaping & Screening: Flexibility of Article 7 shall apply to solar farms with the following notes:

All yards where visible from the public right-of-way or private street: screening with evergreen trees/shrubs with a minimum height of 6 feet at time of installation and reaching mature height of at least 10 feet. All screening material shall be planted adjacent to the security fencing, no more than 10 feet apart. Section 7.1K "Buffers" shall apply with solar farms treated as a Class 5 use. Interior side and rear yards shall adhere to Section 7.1K "Buffers".

Decommissioning & Removal: All utility equipment, solar panels, mounts, structures and fencing shall be removed from the site where a permit was issued within 6 months after the facility ceases to operate and produce power. The landscaped screen is not required to be removed.

Mr. Bamford presented the following recommendations regarding Accessory solar energy systems (for use on-site and ground mounted, roof mounted, or integrated into the building design).

- Zoning Districts: NO, O&I, NC, CR, SB, I-1, I-2
- Ground mounted panels and equipment up to 15 feet (same as solar farm).
- Ground mounted panel and equipment areas are limited to 25% of the principal building' heated square footage.
- Ground mounted panels must be located outside of any required perimeter buffer.
- Flush mounted roof panels shall be exempt from the requirements of Section 7.1M4d.
- Non-flush mounted roof panels must be 100 percent screened from view.

In Zoning District CBD (downtown Garner), only flush roof-mounted panels would be allowed.

In all residential zoning districts, ground mounted panels, vertical wall-mounted panels or solar siding are not allowed. Roof panels or solar shingles must be flush mounted.

Solar panels must not create a traffic or safety hazard; solar panels must be arranged, angled, or sited to minimize glare or reflection onto adjoining properties and roadways. Panels must also have a textured or anti-reflective surface or coating. Smooth panels are not allowed.

A number of photos were shown to illustrate the above.

Council Member Marshburn asked that in addition to needing acreage, was there a need to be a specific distance from a power grid or substation. Mr. Moretz explained that this was something the developer would need to work out with the power company. Mr. Moretz also stated that he was not aware of any problems relating to a solar farm being located next to farms or residential areas.

Council Member Behringer inquired about the impact solar farms had on property values. Mr. Bamford stated there was not enough information available to determine if there was actually an impact on property values, but it could be perceived as negative.

Council Member Marshburn asked about the typical land lease for a solar farm. Mr. Moretz advised that the standard contract is 15 years with options to extend further. For solar farms over 50 acres, contracts are negotiated with the utility providers and leases are for 10 years with renewable options, which are at the discretion of the utility and property owner.

Mr. Moretz explained that the solar panels being proposed were designed to absorb light and transmit back to the utility company. They are not mirrors and do not reflect light. The panels are constructed to prevent any type of environmental impact or harm to birds and wildlife. The life span of solar panels is 30 years. The cost to develop a solar farm is approximately \$2M per megawatt. Strict permitting is required for environmental, stormwater, etc.

Mr. Bamford explained that for a solar farm the assessed value of the property is taxable as well as 20% of the personal property value of the solar equipment.

Council Member Behringer asked if the panels would withstand hurricanes and was advised by Mr. Bamford that they must comply with hurricane standards.

Mr. Dickerson asked what happens to the property's zoning after decommissioning. Mr. Bamford advised that the property reverts back to its previous zoning.

Mr. Bamford explained that solar farms could not be constructed within flood plain areas.

Mr. York expressed concern over the requirement that "smooth panels are not allowed". Because the type of solar panels being proposed are textured at a microscopic level, they appear smooth. He would like to ask that this language be modified to say that "mirrored or reflective panels are not allowed".

Action: Council Members Marshburn and Behringer recommend that this issue be moved forward to the Council Work Session scheduled for March 31, 2015.

## 2. Revisions to the Economic Development Incentives Policy Presenter: Joseph Stallings, Economic Development Director

Mr. Stallings presented the proposed Economic Development Incentive Policy Changes.

These changes were previously discussed at the Council's Retreat in February and noted that the proposed guidelines had already been utilized several times. Formalizing the proposed changes will increase the Town's competitiveness and spur growth. Details of the existing and proposed changes follow.

#### Investment Thresholds – Recruitment

Existing	Proposed
\$10M & \$1,100 of tax base/gal. of sewer allocated	\$5M & \$500 of tax base/gal. of total public water consumption

#### Investment Thresholds – Expansion

Existing	Proposed
\$8M minimum investment	\$3M minimum investment

#### Incentives

Existing	Proposed
1% of total investment cap on incentives	No cap – no incentives given will be greater than the amount of taxes paid
95%, 85%, 75% (3 years) payback over 5 years	Cascading payback table for real property – 7 years; personal property – 5 years
No specifically delineated	If a project qualifies for One NC but not TOG, Council can approve matching incentive
No additional incentive for 100+ job projects	Additional .25% incentive on real property for creation of 100+ jobs
Additional .5% incentive on headquarter projects with 50+ jobs (new) or 50+ jobs (expansion)	Additional 1% incentive on headquarter projects with 250+ jobs (new) or 100+ jobs (expansion)

#### Retail Mixed Use

Existing	Proposed
Project must provide \$1,100 of tax base/gal. of sewer allocated	Project must provide \$500 of tax base/gal. of sewer allocated
1% of total investment cap on incentives – possible 10 year payback period	1% cap using real property table until maximum incentive is reached or 5 years
Incentive bonus for cafeterias and bookstores	No incentive bonuses for retail/missed use development

Ms. Lucas reminded Council Members that incentives are not guaranteed; they are at the Council's discretion and handled on a case by case basis.

Council Member Marshburn asked how the Town compared with other municipalities. Mr. Stallings stated that the Town is extremely competitive.

Mr. Stallings also added that under the new policy, all parties will be held accountable to the contract and ensure the Town is being good stewards of public funds. Incentives would be paid after all taxes, fees and charges due the Town are paid and job thresholds are met. Documentation would be presented to the Town prior to May 1<sup>st</sup> of each year for the length of the incentive agreement. Failure to submit such information will result in a forfeit of that year's available incentive.

Action: Council Members Marshburn and Behringer recommend that this issue be moved forward to the Council Meeting scheduled for April 6, 2015.